



GOVERNOR

Janet Napolitano

CHAIRMAN

*Stephen A. Owens
Director, ADEQ*

Water Infrastructure Finance Authority of Arizona

NEWS RELEASE

VICE CHAIRMAN

Paul T. Gardner

*For more information contact: Suzanne Price, Communications Director
(602) 364-1314 or 1-877-298-0425 www.wifa.state.az.us*

BOARD OF DIRECTORS

William M. Garfield

Ron Gray

Gail Hackney

Joseph A. Hughes

Edward D. Manuel

Steve Olea

Gerald Flannery

Cynthia Seelhammer

E. Blaine Vance

Joseph F. Yuhas

Jay R. Spector

Executive Director

**Steve Owens Announces \$11.3 Million
WIFA Loan for Bisbee Sewer**

(Phoenix, December 29, 2003) Water Infrastructure Finance Authority of Arizona (WIFA) Chairman Steve Owens today announced Board approval of an \$11.3 million loan for the City of Bisbee's new wastewater system.

The loan includes a previous \$4 million WIFA loan for planning and design of the sewer infrastructure.

"I am very pleased the WIFA funding will assist Bisbee to begin construction of the new wastewater treatment facilities," said Steve Owens, who is also director of the Arizona Department of Environmental Quality.

"Pooling WIFA's resources with USDA Rural Development, NADBank, EPA and the Border Economic Cooperation Commission [BECC] is a necessary and advantageous partnership to help this community move forward with the much-needed sewer improvements. This is a very important project, and the city has done a lot of hard work to get to this point"

Besides the \$11.9 million in WIFA financial assistance, USDA Rural Development will provide a \$4.5 million grant and \$1.6 million loan.

NADBank and EPA have pledged an additional \$10.2 million grant. EPA and the BECC previously provided \$504,780 in technical assistance.

The City of Bisbee will contribute \$2 million for the infrastructure improvements.

The \$26 million sewer project includes construction of a new mechanical wastewater treatment plant at the San Jose site and new lift station and force main to convey sewage from the Mule Gulch treatment plant to the San Jose treatment facility.

A gravity sewer main to convey sewage from the Warren treatment facility to the San Jose treatment facility is also planned.

Bisbee will finance and construct the sewer improvements over a 5 – 7 year period. The project corrects excess inflow and infiltration problems by repairing and replacing collection lines throughout Bisbee.

About the Water Infrastructure Finance Authority of Arizona

The Water Infrastructure Finance Authority of Arizona (WIFA) is an agency of the state authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

As a "bond bank", WIFA is authorized to issue Water Quality Bonds on behalf of communities for basic water infrastructure. By pooling different entities' financing needs, WIFA provides significant savings through reduced borrowing amounts, lower interest rates, and shared/reduced closing costs.

WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund (CWRf) for publicly held wastewater treatment projects and the Drinking Water Revolving Fund (DWRf) for both publicly- and privately-held drinking water systems. Both funds are capitalized by contributions from the state and the US Congress. Presently Arizona receives about \$20 million in federal allocations annually for the wastewater and drinking water infrastructure construction improvements.

The formula used by Congress for wastewater allocations is based on 1970's data. If the formula were based on current population and infrastructure needs, the state would receive 4 or 5 times the current allocation of approximately \$9 million.